Fiscal Reforms for States

33. SHRI KRIPAL PARMAR:
SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the world Bank has laid down certain guidelines on fiscal reforms for States and the Centre to achieve development goals;

(b) if so, the details thereof;

(c) whether it is also a fact that our States are among the most indebted in the world; and

(d) if so, what is the action plan of Government to rein in the States to help them to reduce their deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (c) No Sir.

(b) Does not arise.

(d) As a follow up of the 11th Finance Commission, States were encouraged to draw up Medium Term Fiscal Reforms Programme which aimed, *inter alia,* at fiscal consolidation, power sector reforms and public sector enterprise reforms. Govt, of India also formulated a Debt Swap Scheme for the years 2002-03 to 2004-05 to provide interest relief to the States on their 'high cost debt'.

Change in rate of interest on provident fund

34. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Government have not been able to change the rate of interest on provident fund belonging to State agencies and public institutions;

(b) if so, the reasons therefor;

(c) what is the provisional rate of interest being allowed at present; and